

Morgan Stanley

April 16, 2008

Ms. Naomi Richman
Chief Credit Officer
Global Public, Project and Infrastructure Finance
Moody's Investors Service
7 World Trade Center
250 Greenwich Street
New York, NY 10007

Dear Ms. Richman:

We would like to extend our appreciation for the invitation and opportunity to comment on Moody's Assignment of Global Ratings to Tax-Exempt Municipal Obligations.

Morgan Stanley supports assigning global scale ratings (GSR) to all municipal credits for both taxable and tax-exempt transactions. As the global fixed income markets continue to evolve, we applaud your effort and look forward to the continuing dialogue in providing enhanced transparency for all market participants, issuers and investors. We believe that there should be one single rating scale for all markets to provide investors (including money market funds) with a consistent method of evaluation for the default risk of fixed income securities.

As one of the leading underwriters of municipal securities, Morgan Stanley has significant experience in both the taxable and tax-exempt municipal markets. Since Moody's first released its Special Comment in November 2002 titled "Moody's US Municipal Rating Scale", Morgan Stanley has been supportive of the use of Global Scale Ratings (formerly Corporate Equivalent Ratings) for taxable municipal securities. Their use has provided better market access for our taxable issuing clients and more clarity for the taxable global investor community. Prior to utilizing the Global Scale Ratings for marketing taxable municipal bonds, we had to devote a significant amount of time educating potential buyers including both domestic and international investors (retail and institutional) about what a municipal rating meant (given the significantly lower default rates of municipals compared to corporate bonds). Your special comment was immensely helpful, especially to new investors in this marketplace.

In implementing global scale ratings, there are a few items we encourage Moody's to consider: 1) To minimize initial market confusion, we recommend that Moody's assign both ratings, the traditional municipal rating scale and the global rating scale, simultaneously so as to allow the markets to adjust smoothly to the new global scale. 2) We recommend that Moody's charge a single fee whether Moody's decides to assign a single rating in the form of a global scale rating or two ratings, a municipal and a global scale rating. 3) If two ratings are assigned, we request that Moody's publish complete and consistent research in both databases with both simultaneously updated regularly.

Since 1935, Morgan Stanley has served as one of the leading investment banks to governments, corporations and not-for-profits on a domestic and international basis. Morgan Stanley is one of the world's largest diversified financial services companies, with a reputation for excellence in advice and execution on a global scale and as such, we feel an obligation and appreciate the opportunity to respond to your Request for Comment: Assignment of Global Ratings to Tax-Exempt Municipal Obligation dated March 2008.

Again, we congratulate Moody's for its efforts and thank you for this opportunity to comment.

Sincerely,



Stratford Shields
Managing Director
Head of Public Finance